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December 1, 1997

Cynthia L. Johnson, Director
Cash Management Policy and Planning Division
Financial Management Service
U.S. Department of the Treasury, Room 420
401 14th St. S.W.
Washington, D.C. 20227

Refs: A. 31 CFR Part 208, RIN1510-AA56

Federal Register, Vol. 62, No. 179, Tuesday, September 16, 1997

B. Your letter (signed by Sally Phillips) of October 23, 1997 to Sr. Roberta Downey

Dear Director Johnson:

On behalf of the Elder Issues Task Force, a group of health and social service professionals serving elders in Fairbanks and the Alaska Interior, I would like to express to you our concern about the impact the electronic funds transfer of Federal payments, scheduled to begin on January 2, 1999, will have on many of our elders, and even on younger people living in "Bush" Alaska. We have already seen some elders become quite agitated when they learned about the change ahead.

Many Alaskans live in isolated villages, one hundred or more air miles from an urban center with financial institutions. They have lived all their lives without banks in their villages. When they receive a check, they generally cash it at the village store and use currency. The same dollar bills circulate within a village, becoming more and more tattered as they pass from person to person. Relatively few village residents maintain checking accounts at a distant bank or credit union.

To a great degree, village elders lack good literacy skills. They may be able to sign their names, but they cannot handle bank accounts. Further, physical impairments like decline of vision or arthritic hands may have reduced the capabilities they have had.

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We believe these Alaskans qualify for waivers from electronic direct deposit. We advocate that they be given a very simple waiver application form, which, with the assistance of younger, literate village residents, they may sign and forward to the Treasury Department in sufficient time to permit their continued receipt of government checks after January 2, 1999.

It is true that most, not all, of the isolated villages in Alaska have a U.S. Post Office. However, if the U.S. Post Service becomes a designated payment agent for the disbursement of government funds to persons without bank accounts, the increased responsibility will place an additional, heavy burden on the local village postmaster or postmistress who serves alone or with a very small staff.

Task force members are well aware of both the benefits and drawbacks of direct deposit. All of us are familiar with instances of financial abuse of vulnerable adults. Financial abuse situations occur with cash, checks, ATMs, and banking accounts. Direct deposit does not assure that an elder will not become a target of financial abuse.

Although for the overwhelming majority of recipients, direct deposit is convenient and reliable and for the Federal Government direct deposit apparently saves millions of dollars in comparison with the check procedure, we know that there are many Alaskans without the skills to control bank accounts and without daily, direct access to financial institutions. We believe they should be permitted to qualify for a waiver from direct deposit. We, therefore, request that the Treasury Department make available a simplified waiver form soon.

Sincerely,

A handwritten signature in cursive script, appearing to read "Rosalie E. L'Ecuier".

Rosalie E. L'Ecuier

Chairperson, Elder Issues Task Force

cc: Alaska Congressional Delegation

Tony Knowles, Governor of Alaska